

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF VIRGINIA
Roanoke Division**

In re:

BAYVIEW HOLDINGS, LLC)	
)	
Debtor in Possession)	Case No. 09-72799
)	
BANK OF FLOYD)	Chapter 11
)	
Movant,)	
)	
v.)	
)	
BAYVIEW HOLDINGS, LLC)	
)	
Respondent.)	

STIPULATION OF FACTS

COMES NOW the Movant, Bank of Floyd (the "Bank"), by counsel, and the Debtor, Bayview Holdings, LLC, by counsel, and stipulate that following facts as true for purposes of the Movant's Motion for Relief from Stay filed herein:

1. On November 2, 2009 (the "Petition Date"), Bayview Holdings, LLC (the "Debtor") filed in this Court a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, Case No. 09-72799 (the "Petition").
2. The Bank is the holder of the only Allowed Secured Claim designated as the "Class 1" claim (the "Claim") in the Debtor's Third Amended Disclosure Statement (the "Disclosure").

3. The Claim is evidenced by that certain Renewal Promissory Note, dated January 28, 2010, payable to the Bank in the original principal sum of \$2,571,287.35, which matured and became due and payable in full on July 28, 2010 (the "Note"). The Note is secured by that certain Deed of Trust, dated June 28, 2007, which is recorded in the Clerk's Office of the Circuit Court for the County of Franklin, Virginia, as Instrument 070006687, encumbering certain real property more particularly described therein (the "Deed of Trust"). Copies of the Note and Deed of Trust are attached to Movant's Motion for Relief from Stay as Exhibits A and B, respectively.

4. The real property encumbered by the Deed of Trust includes Lots 1, 2, 3, 8, 9, 10, 11, 15, 16, 17, 18, 22, Baywatch Estates, and Lot 10, Emerald Bay Estates, all located in the County of Franklin, Virginia (collectively the "Lots" or "Collateral").

5. The outstanding balance due under the Note as of June 16, 2011 totals \$2,476,884.82, with approximately \$13,000.00 in interest accruing each month.

6. The Debtor is also contingently indebted to the Bank under the terms of that certain letter of credit dated June 28, 2007, in the amount of \$47,125.00 (the "Letter of Credit").

7. As of June 30, 2011, the balance due of past due real estate taxes assessed against the Collateral totals \$74,202.53 (the "Taxes"), with interest and penalties continuing to accrue. Real estate taxes for 2011 associated with the Collateral, pro-rated from January 1, 2011 through July 7, 2011, total \$10,388.47. Therefore, unpaid real estate taxes assessed against the Collateral total \$84,591.00, as of July 7, 2011 (the "Taxes").

8. The sum of the outstanding balance due under the Note, the Bank's

exposure under the Letter of Credit, and the Taxes totals \$2,608,600.82.

9. Debtor is required, under the terms of its proposed Chapter 11 Plan (the "Plan"), to sell two (2) lots during each twelve (12) month period following the Effective Date of the Plan in order for the Bank to consider renewal of the Note.

10. In the twenty (20) months since the Petition Date, the sale of two (2) Lots have been completed, specifically, Lot 4 and Lot 12, Baywatch Estates.

11. Lots 8 and 9, Baywatch Estates, are currently listed for sale, as referenced in Section IV.H of the Disclosure. The listing prices are \$299,000.00 and \$399,000.00, respectively.

Respectfully Submitted,

BANK OF FLOYD

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